

## Message Text

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PAGE 01 LISBON 02353 301609Z  
ACTION EUR-12

INFO OCT-01 ARA-10 IO-13 ISO-00 CIAE-00 COME-00 EB-08  
INR-10 LAB-04 NSAE-00 SIL-01 /059 W  
-----042069 310516Z /11

R 301309Z MAR 78  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 5259  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
USMISSION GENEVA  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMCONSUL OPORTO  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMCONSUL PONTA DELGADA  
AMEMBASSY ROME  
AMCONSUL SAO PAULO  
AMEMBASSY STOCKHOLM  
USMISSION USNATO  
DIA WASHDC  
USCINCEUR VAIHINGEN GER  
COMUSFORAZ

C O N F I D E N T I A L LISBON 2353

BRUSSELS ALSO FOR USEEC

E.O. 11652: GDS  
TAGS: ELAB, PO  
SUBJECT: CENTER BANKWORKERS SUSPEND STRIKE

REF: (A) LISBON 1984 (B) OPORTO 0076 (NOTAL)

SUMMARY: THE CENTRAL REGION BANKWORKERS VOTED TO SUSPEND  
A GENERAL STRIKE WHICH BEGAN MARCH 27. NORTHERN BANKWORKERS  
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WILL MEET MARCH 30 TO DECIDE WHETHER TO CONTINUE THEIR  
WALKOUT. THUS FAR, THE BANKWORKERS STRIKE HAS BEEN NEAR  
TOTAL IN BOTH REGIONS. ADHERENCE IN LISBON AND THE SOUTH  
HAS BEEN PARTIAL, AND THE PROSPECT OF FURTHER STRIKE  
ACTION COULD FORCE ACCESSION TO UNION DEMANDS. END SUMMARY.

1. ON MARCH 29, THE CENTRAL REGION BANKWORKERS UNION

SUSPENDED A GENERAL STRIKE WHICH HAS CLOSED MOST BANKS IN THE CENTER AND NORTH. THE SUSPENSION WILL ENABLE CENTRAL REGION BANKS TO REOPEN, BUT THE UNION MAY STRIKE AGAIN NEXT WEEK IF DEMANDS ARE NOT MET. THE UNION'S DECISION WAS OSTENSIBLY TAKEN TO ENABLE BANKS TO MEET END-OF-MONTH PAYROLLS, THUS AVOIDING ALIENATION OF WORKERS IN NON-BANKING ESTABLISHMENTS. HOWEVER, IT ALSO PROVIDES GOVERNMENT CONCILIATORS BREATHING TIME IN THEIR EFFORTS TO RESOLVE THE DISPUTE, THE MOST SERIOUS ON A NATIONAL LEVEL SINCE THE IMMEDIATE POST REVOLUTIONARY PERIOD.

2. AMCONSUL OPORTO REPORTS ALL BANKS CLOSED, A CONDITION PREVAILING IN MOST CENTRAL AND NORTHERN BANKS SINCE THE STRIKE BEGAN ON MARCH 27. ADHERENCE TO THE STRIKE IN LISBON AND THE SOUTH HAS BEEN PARTIAL; BANKS IN THE LISBON AREA ARE OPERATING AT NEAR NORMAL LEVELS. LAST THE PCP-DOMINATED GENERAL ASSEMBLY OF THE SOUTHERN BANKWORKERS UNION DEFIED THE UNION'S PSD LEADERSHIP BY VOTING NOT TO STRIKE. ABSENTEEISM IN SOUTHERN BANKS HAS BEEN ESTIMATED BETWEEN 20 AND 40 PERCENT. THE COMMUNISTS HAVE DENOUNCED THE STRIKE AS A PSD PLOY TO AFFECT THE OUTCOME OF THE APRIL 1 UNION ELECTIONS. THE COMMUNIST UNITARY SLATE IS EXPECTED TO WIN, BUT A SOCIALIST SLATE HAS BEEN GAINING GROUND IN THE CLOSING DAYS OF THE CAMPAIGN (REF A).

3. NEAR TOTAL ADHERENCE TO THE STRIKE BY CENTRAL AND  
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NORTHERN BANKWORKERS IS ATTRIBUTED IN PART TO SOLID PSD CONTROL IN BOTH UNIONS. AT A MARCH 28 UNION ASSEMBLY MEETING IN OPORTO, WHICH WAS DISRUPTED BY BOMB THREATS, THE NORTHERN BANKWORKERS VOTED TO POSTPONE UNTIL ANOTHER ASSEMBLY MEETING ON MARCH 30 A DECISION WHETHER TO CONTINUE THE STRIKE.

4. COMMENT: MORE THAN 5000 BANKWORKERS ATTENDED THE UNION ASSEMBLY MEETING IN OPORTO, ONE OF THE LARGEST OF ITS KIND IN THE COUNTRY'S SECOND CITY. THE EXTRAORDINARY TURNOUT REFLECTS DEEP-ROOTED WORKER FRUSTRATION IN THE BANKING SECTOR (REF B). CAREFUL ORCHESTRATION BY THE UNION'S PSD LEADERSHIP WAS ALSO A FACTOR. BY CONTRAST, IN LISBON AND THE SOUTH, WHERE FRUSTRATIONS ARE THE SAME, PSD BANKWORKER UNION LEADERSHIP HAS BEEN TORN BY DISSENSION. BECAUSE OF COMMUNIST STRENGTH IN LISBO BANKS AND THE REFUSAL OF THE SOCIALISTS TO CLOSE RANKS WITH PSD FORCES FOR THE UPCOMING ELECTION, THE SITUATIONS ARE NOT ANALAGOUS. NEVERTHELESS, RESPONSIBILITY FOR THE EXPECTED LOSS OF THE UNION TO THE COMMUNISTS CAN BE ATTRIBUTED IN LARGE MEASURE TO THE INEPTNESS OF THE PSD LEADERSHIP.

5. WHAT DIRECTION THE COMMUNISTS WILL MOVE IN SHOULD THEY GAIN CONTROL OF THIS 30,000 MEMBER UNION, THE SECOND LARGEST IN THE COUNTRY, IS DIFFICULT TO GAUGE. HOWEVER, THE ADDITION OF THE SOUTHERN BANKWORKERS UNION TO THOSE ALREADY CONTROLLED BY THE COMMUNIST-DOMINATED CGTP, WOULD NOT AUGUR WELL FOR THE SOARES GOVERNMENT SHOULD THE PCP DECIDE TO ALTER ITS PRESENT TEMPORIZING STRATEGY IN THE LABOR SECTOR. THIS PROSPECT AND THE PROVEN STRIKE CAPACITY OF THE PSD-LED NORTHERN AND CENTRAL BANKWORKERS MAY FORCE THE GOVERNMENT TO SETTLE CLOSE TO THE UNION'S TERMS.  
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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01 jan 1960  
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**TAGS:** ELAB, PO  
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**Type:** TE  
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